SandRidge CEO Terminated Following Investigation

OKLAHOMA CITY (AP) — SandRidge Energy Inc. CEO, Chairman and founder, Tom Ward, has been dismissed after an investigation over a controversial deal but will receive a multimillion severance package.

The oil and gas exploration company has been under shareholder pressure to replace Ward. Investor TPG-Axon Group urged the company to consider terminating him, based on the company's performance and concerns about a deal in which the company bought land from an entity controlled by a Ward family trust.

SandRidge reached an agreement with TPG-Axon in March, which included a provision to either fire Ward or lose control of its board to TPG-Axon.

The company's board had already reviewed the deal and said it found no indication of impropriety. Its audit committee ordered an independent investigation of the transaction. The review is complete and its board said Wednesday that it has determined the issue does not merit a firing "for cause."

However, the SandRidge board said it believes new leadership is desirable and Ward's termination is considered to be "without cause." As a result, he is entitled to the severance package provided under his contract.

Ward founded the company in 2006 and has served as chairman and CEO since then.

His severance package includes the vesting of 6.3 million shares of previously granted restricted stock and a lump sum cash payment of $53.5 million, representing three times the average of his last three annual bonuses, his accrued vacation and the value of the restricted stock that Ward would have received over the next three years if his employment with the company had continued. The company will also continue to pay his current base salary for the next 36 months.

SandRidge has appointed James Bennett as CEO and president. Bennett has been chief financial officer of SandRidge since 2011 and was promoted to president in 2013.

The company said that its board determined that an external search for a new CEO was not necessary. The changes are effective immediately.

SandRidge shares rose 21 cents, or 4.1 percent, to $5.29 in after-hours trading. The stock rose 2 percent to close regular trading at $5.08.

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